

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

August 24, 1999

IN RE:

**PETITION OF BEN LOMAND RURAL TELEPHONE
COOPERATIVE, INC. FOR APPROVAL OF AN
INTRALATA TOLL DIALING PARITY PLAN**

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)
) **DOCKET NO. 99-00259**
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**ORDER APPROVING INTRALATA TOLL DIALING PARITY
IMPLEMENTATION PLAN**

This matter came before the Tennessee Regulatory Authority (the "Authority") on June 8, 1999, at a regularly scheduled Authority Conference, to consider the Petition of Ben Lomand Rural Telephone Cooperative, Inc. ("Ben Lomand") for approval of its IntraLATA Toll Dialing Parity Implementation Plan ("the Plan").

Section 251(b) of the Telecommunications Act of 1996 ("the Act") requires all Local Exchange Carriers to provide dialing parity.¹ Specifically, section 251 (b)(3) of the Act states, "Dialing Parity - The duty to provide dialing parity to competing providers of telephone exchange service and telephone toll service, and the duty to permit all such providers to have nondiscriminatory access to telephone numbers, operator services, directory assistance, and directory listing, with no unreasonable dialing delays." The Act further states in sections 251(f)(1) and 251(f)(2) that a rural telephone company may file with the state commission for exemption, suspension or modification of the dialing parity requirements.

¹ Telecommunications Act of 1996, Pub. L. No. 104-104, (February 8, 1996), codified at 47 U.S.C. §§151 *et seq.*

FILE

The Federal Communications Commission ("FCC") initiated a rulemaking on dialing parity on April 19, 1996 and issued its findings in FCC 96-333 Order (Docket 96-98) adopted on August 8, 1996. This Order sets forth the criteria and guidelines for filing of a plan by all carriers. Subsequent to this Order the United States Court of Appeals for the Eighth Circuit vacated the FCC's rules, as they were applicable to intrastate services.² On January 25, 1999, the United States Supreme Court reversed certain portions of the Eighth Circuit's decision including that part of the decision which had stricken the FCC's rules pertaining to dialing parity.³

The FCC's original date for implementation, February 8, 1999, was reinstated by the Supreme Court's decision of January 25, 1999. As a result of this reinstatement, the FCC released FCC 99-54 Order (Docket 96-98) on March 23, 1999, which set forth revised implementation dates for dialing parity. This Order establishes April 22, 1999 as the new date by which all Local Exchange Carriers must file an IntraLATA Toll Dialing Parity Plan with State Commissions for approval. The Plan must be implemented within thirty (30) days after approval from the State Commission. Additionally, the Order states that the Plan must be filed with the Common Carrier Bureau of the FCC if the State Commission has not acted on the Plan by June 22, 1999.

Ben Lomand is a telecommunications company operating under Tenn. Code Ann. Title 65, Chapter 29 as a cooperative local exchange carrier that provides telecommunications services in Tennessee. Pursuant to 47 C.F.R. § 51.213, Ben Lomand is required to file a plan with the Authority that provides for implementing intraLATA toll dialing parity all exchanges served.⁴ This

² FCC v. Iowa Utils. Bd., United States Court of Appeals for the Eighth Circuit, July 18, 1997.

³ AT&T v. Iowa Utils. Bd., 119 S.Ct. 721 (1999).

⁴ Under 47 C.F.R. §51.213, the Federal Communication Commission requires that an IntraLATA toll dialing parity plan contain: (1) a proposal that explains how the local exchange carrier will offer intraLATA toll dialing parity for each exchange that such carrier operates in the state, in accordance with the provisions of this section, and a proposed time schedule for implementation; and (2) a proposal for timely notification to its subscribers and the methods it proposes to use to enable each subscriber to affirmatively select an intraLATA toll service provider. The state commission must approve any such plan prior to implementation.

plan must allow customers to pre-subscribe to different carriers for local service, intraLATA toll service and interLATA toll service.⁵

Ben Lomand filed its IntraLATA Toll Dialing Parity Implementation Plan on April 16, 1999. The Plan was amended on May 21, 1999. The amended Plan containing Ben Lomand's Petition for Approval, is attached hereto as Exhibit I and is fully incorporated herein by this reference.

The Directors considered Ben Lomand's Plan at the June 8, 1999 Authority Conference and determined that the Plan, as amended, satisfies the requirements set forth by the FCC in Docket 96-98, FCC Order 96-333 and FCC Order 99-54.⁶ The Plan provides for a method that enables customers to select alternate providers of telephone toll service; a method which allows customers to choose different carriers for interLATA and intraLATA service; customer notification/education procedures; and includes a cost recovery method based on the incremental cost of implementing the Plan. The Directors unanimously voted to approve Ben Lomand's Toll Dialing Parity Plan as amended, with the requirement that Ben Lomand comply with all applicable sections of FCC Order 96-333 upon implementation of intraLATA equal access.

IT IS THEREFORE ORDERED THAT:

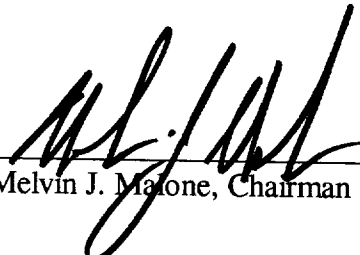
1. The amended Plan of Ben Lomand Rural Telephone Cooperative, Inc., for IntraLATA Toll Dialing Parity Implementation, a copy of which is attached as Exhibit I, is hereby approved and is incorporated in this Order as if fully rewritten herein;

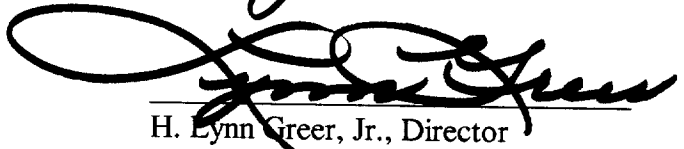
⁵ Pre-subscription allows the customer to place a call without dialing an access code.

⁶ FCC Order 96-333, released August 8, 1996, sets forth the requirements for implementation of IntraLATA Toll Dialing Parity. FCC Order 99-54, released March 23, 1999, extends to June 22, 1999 the deadline for state commissions to act on a LEC's IntraLATA Toll Dialing Parity Plan.

2. Ben Lomand Rural Telephone Cooperative, Inc. shall comply with all applicable sections of FCC Order 96-333 upon implementing IntraLATA equal access; and

3. Any party aggrieved by the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within ten (10) days from and after the date of this Order.

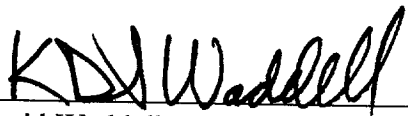


Melvin J. Malone, Chairman

H. Lynn Greer, Jr., Director

Sara Kyle, Director

ATTEST:



K. David Waddell, Executive Secretary

BEFORE THE
TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

REC'D TN
REGULATORY AUTH.

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OFFICE OF THE
EXECUTIVE SECRETARY

IN RE:

PETITION OF BEN LOMAND RURAL)
TELEPHONE COOPERATIVE, INC. FOR)
APPROVAL OF AN INTRALATA TOLL DIALING)
PARITY IMPLEMENTATION PLAN)

Docket No. 99-00259

COPY

MOTION

Comes Ben Lomand Rural Telephone Cooperative, Inc. (BLRTC) and moves the Tennessee Regulatory Authority to substitute the attached revised Ben Lomand Rural Telephone Cooperative, Inc. IntraLATA Toll Dialing Parity Implementation Plan, June 1, 1999 Implementation Date, SECOND REVISED PLAN as Exhibit 1 to its Petition which was mailed for filing with the Tennessee Regulatory Authority on April 14, 1999.

The basis of this motion to substitute the SECOND REVISED PLAN for the original plan and/or the REVISED PLAN is for the convenience of the Authority and staff and notification of interexchange carriers of modification and/or amendment to the original plan.

In the alternative, BLRTC moves to amend its original plan filed April 16, 1999, Docket No. 99-00259, by adding the words and figures in Section I. Purpose in the second line of that paragraph by adding the words "Exhibit C" between the words "exchanges" and "located" and by striking the period immediately following the word "Tennessee" and adding the words and figures "totally associated with the Nashville LATA (470)." immediately following the word "Tennessee".

On page 3 of the original plan under the heading *New Installation Customers* 1., strike the word "into" between the words "providers" and "now" and insert the word "is" in

lieu thereof. On page 4 under V. **Customer Education/Notification**, second paragraph, first sentence, add the words and figures "within 30 days of implementation" between the word "mailing" and the word "and". In the second line add the words "the next bill cycle following implementation" between the word "message" and "regarding". On page 7, Exhibit B CALCULATION OF INITIAL EQUAL ACCESS RATE ELEMENT, Step 2, strike the word "total" and insert the word "originating"; strike the figure "134,09,788" and insert in lieu thereof the figure "74,316,904". In Step 3, strike the figure "\$0.0065" and insert in lieu thereof the figure "\$0.001177". On Exhibit B, heading of last paragraph, strike the word "TRUP" and insert in lieu thereof the word "TRUE" between the words "ANNUAL" and "-UP". Add a complete new exhibit to be designated as Exhibit C which shows the NPA-NXX numbers and the exchange name.

Respectfully submitted this 14th day of May, 1999.

BEN LOMAND RURAL TELEPHONE
COOPERATIVE, INC.

By: James W. Dempster
James W. Dempster, Attorney for
Ben Lomand Rural Telephone Coop., Inc.
118 E. Main Street
P.O. Box 332
McMinnville, TN 37111-0332
Phone: (931) 473-4934
Fax: (931) 473-7190

CERTIFICATE OF SERVICE

I, James W. Dempster, Attorney, hereby certify that I have this day served a true and exact copy of the within and foregoing Motion on behalf of Ben Lomand Rural Telephone Cooperative, Inc. via United States Mail, first class, postage prepaid, and properly addressed to the following:

AT&T Communications

Gary Andraza, Assistant Vice President
Government Affairs
511 Union Street, Suite 700
Nashville, TN 37219
(615) 242-2815

BellSouth Telecommunications, Inc.

Guy M. Hicks
333 Commerce Street, Suite 2101
Nashville, TN 37201-3300
(615) 214-6301

Ben Lomand Communications, Inc.

Joe C. Roper, President
212 Hillsboro-Viola Rd.
Hillsboro, TN 37342
(931) 668-1010

Citizens Communications

J. Michael Swatts
State Regulatory Director-South
300 Bland Street
P.O. Box 770
Bluefield, WV 24701
(304) 325-1216

Frontier Communications Services

Scott Nichols, Senior Manager
Regulatory Affairs
1990 M. Street, N.W. Suite 500
Washington, D.C. 20036
(202) 293-0593

ICG Telecom Services, Inc.

Michael McCaw
315 Deaderick Street, Suite 2150
Nashville, TN 37238
(615) 251-4440

MCI Telecommunications Corporation

Kathy Pounds, Director

Law and Public Policy

780 Johnson Ferry Road, Suite 700

Atlanta, GA 30342

(404) 250-5500

Sprint Communications Company, L.P.

Tony Key, Director

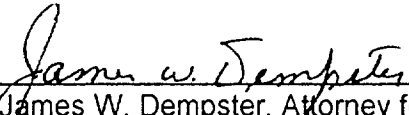
State Regulatory

3100 Cumberland Circle

Atlanta, GA 30339

(404) 649-5144

This 14th day of May, 1999.



James W. Dempster, Attorney for
Ben Lomand Rural Telephone Coop., Inc.

BEN LOMAND RURAL TELEPHONE COOP., INC.

IntraLATA Toll Dialing Parity Implementation Plan

June 1, 1999

Implementation Date

SECOND REVISED PLAN

COPY

BEN LOMAND RURAL TELEPHONE COOP., INC.

McMinnville, Tennessee

April 13, 1999

Exhibit 1 to the Petition of BEN LOMAND RURAL TELEPHONE COOP., INC. to the Tennessee Regulatory Authority for Approval of the subject plan.

I. Purpose

Ben Lomand Rural Telephone Cooperative, Inc. (Ben Lomand) has described herein the process for implementing intraLATA toll dialing parity in the Ben Lomand exchanges (Exhibit C) located in the state of Tennessee totally associated with the Nashville LATA (470). The intent of this Plan is to provide a proposal that, upon implementation, would provide customers the ability to select the participating telecommunications carrier of their choice for routing their intraLATA toll calls.

II. IntraLATA Environment

Ben Lomand customers in Tennessee in the Ben Lomand area can currently dial an access code to complete intraLATA toll calls to another carrier. After implementation of the intraLATA toll dialing plan, customers will be able to subscribe to the carrier of their choice for intraLATA as well as interlata service (two-PIC subscription capability). Customers will dial 1+ the area code and number to complete calls using their subscribed carrier. If customers wish to complete a call using a carrier other than their subscribed carrier, they will need to dial the carrier's access code.

Each end office switch will be equipped with the capability of allowing each end user subscriber to select "no-PIC" as a valid intraLATA subscription selection. Customers selecting "no-PIC" as their subscribed carrier will not be able to make intraLATA toll calls on a 1+ or 0+ dialed basis. Such customer will need to dial an access code each time he or she makes an intraLATA call.

In 1992, toll-free intraLATA county-wide calling was initiated for all Local Exchange Carrier's via an order from the Tennessee Public Service Commission. BellSouth currently maintains tax-code billing tables to identify "free-county-wide" intraLATA toll calls originated by Ben Lomand intraLATA toll customers and to ensure that billing does not occur on these calls. Ben Lomand will continue to process toll-free intraLATA county-wide calls in this manner for toll customers after implementation of intraLATA toll dialing as long as technically feasible.

III. Implementation Schedule

Ben Lomand will provide intraLATA toll dialing parity in Tennessee on June 1, 1999.

IV. Carrier Selection Procedures

Ben Lomand will implement the full Two-PIC (Primary Interexchange Carrier) carrier selection methodology. With the full two-PIC methodology, customers will be able to subscribe to one telecommunications carrier for interLATA toll calls and subscribe to the same or a different participating telecommunications carrier, for all intraLATA toll calls. Orders for changes will be accepted and processed beginning on the implementation date.

Ben Lomand employees who communicate with the public, accept customer orders, and serve in customer service capacities will be trained to explain to customers the process for making PIC changes for intraLATA toll calls. Business Office personnel and the Customer Account Records system will be prepared to make changes in customer records based upon requests from customers or carriers and direct customers to their chosen intraLATA carriers. Processes will be in place to provide new customers with an opportunity to choose their intraLATA toll carrier from a list of available carriers.

Existing Customers

Currently, the Local Exchange Carrier is the only subscribed intraLATA toll provider for existing customers in Ben Lomand's local exchange area. On June 1, 1999, customers may subscribe to any telecommunications carrier offering intraLATA toll service in their exchange. Customers will remain with the Local Exchange Carrier until they affirmatively choose an intraLATA toll carrier. Customers may make this selection through their own initiative or as a result of the promotional marketing activities of participating intraLATA toll telecommunications carriers. Customers may communicate their choice of carriers to Ben Lomand directly or through their selected carriers.

Customers will be assessed a PIC change charge for changing their intraLATA carrier at a rate of \$5.00. When customers request a simultaneous change to the same carrier for their interstate and intrastate service, Ben Lomand will assess two PIC charges one from the interstate tariff and one from the intrastate tariff.

A charge will be established for unauthorized PIC changes submitted by carriers to Ben Lomand for end-user customers (slamming).

New Installation Customers

Ben Lomand customer contact representatives will be provided discussion guidelines that will provide a new customer with the following information:

1. Inform the customer that a choice of intraLATA toll providers is now available to him or her.
2. Offer to read the customer a list of available carriers in randomly generated order.
3. Advise the customer that various carriers provide intraLATA toll service.

Customers who do not make a positive choice for an intraLATA toll carrier will be notified that they will not be automatically defaulted to a carrier and will be required to dial an access code to place intraLATA toll calls until they make an affirmative choice for an intraLATA toll carrier.

PIC Charge Waiver Period

Customers will be given a period of ninety (90) days within which to make one change of their preferred carrier at no cost to the customer. This waiver period will begin on June 1, 1999. The costs associated with this waiver will be recovered through the general cost recovery mechanism.

V. Customer Education/Notification

At the time of implementation, June 1, 1999, the TRA will issue a press release announcing the availability of intraLATA 1+ subscription. This press release will announce the opportunity to choose a primary intraLATA carrier and explain the 90 day waiver period from June 1, 1999 through August 31, 1999.

Ben Lomand will notify all existing end users via a direct mailing within 30 days of implementation and a bill message the next bill cycle following implementation regarding intraLATA subscription implementation and explain their opportunity to select an intraLATA carrier. The wording of the customer notification includes an explanation of the PIC change charge waiver period and is shown as Exhibit A. Customer telephone directories will be updated as new editions are published to reflect the opportunity for customers to choose an intraLATA toll carrier. After implementation, all new customers will be advised of intraLATA availability and requested to make an intraLATA carrier selection.

VI. Carrier Notification

Current interexchange carriers will be notified of Ben Lomand intraLATA toll dialing parity implementation via Certified U. S. Mail at implementation. Carriers that currently participate in interlata toll will be assumed to be participants in the intraLATA toll market. Certified carriers who enter the market after implementation will be added to the list of participating carriers within 30 days of notifying Ben Lomand.

Ben Lomand offers Ben Lomand Listed Name and Address and Ben Lomand Change Activity Register services for the purpose of assisting the carrier's marketing efforts in connection with marketing their telecommunications services. Ben Lomand Listed Name and Address service provides a list of customers available for subscription within Ben Lomand central offices. The data base is updated monthly.

VII. Operator Services and Directory Assistance

Access to Operator Services and Directory Assistance will continue to be available through the customer's local exchange carrier or interLATA carrier. No industry standard exist for access to Operator Services and Directory Assistance unique to intraLATA services. For Operator Services, customers dial "0" to reach their local exchange operator and "00" to reach their interLATA operator. For Directory Assistance, customers dial "1-411" for accessing the local exchange Directory Assistance and dial "1-NPA-555-1212" for accessing their interLATA carrier's Directory Assistance.

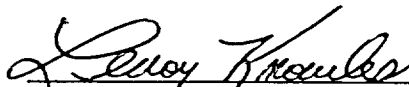
VIII. Cost Recovery

In accordance with 51.215 of FCC Order 96-333, CC Docket No. 96-98, cost recovery for the incremental cost of dialing parity; specific switch software, and necessary hardware and signaling system upgrades, and customer education costs that are strictly necessary to implement dialing parity, will be implemented in a competitively neutral manner across all providers of telephone exchange service a telephone toll service in the area served by Ben Lomand. Incremental costs will be recovered from all carriers through a rate element based upon originating intrastate switched access minutes of use (MOUs) during the 4 year cost recovery period. Attached, as Exhibit B, is a detailed explanation of the Cost Recovery methodology. An annual true-up will be conducted and reported to the TRA.

IX. Statement of Compliance

Ben Lomand will comply with all rules of the FCC and the TRA.

Executed as of the 13th Day of April, 1999



Levoy Knowles
General Manager of BLRTC
311 North Chancery Street
P. O. Box 670
McMinnville, TN 37111
Phone: 931-668-4131

BILL MESSAGE

"Ben Lomand implemented local toll 1+ subscription service on June 1, 1999. You are now able to choose a local toll provider. Your current carrier will continue to provide this service for you or you may select another carrier. You may select the same provider as your interstate long distance service provider or you may select a different provider for each service. Your first selection prior to August 31, 1999, will be free."

DIRECT MAILING

IMPORTANT NOTICE ABOUT LOCAL TOLL SERVICE

"As of June 1, 1999, you are able to choose your provider of "1+" local toll service. This change allows you to remain with your current carrier or select a different long distance carrier for local toll calls. Please refer to the information pages in the front of your Ben Lomand telephone directory under "Long Distance - Calling Area" for a description of your local toll calling area.

If you would like to select a different carrier for your "1+" local toll service, you should contact that company. No action is necessary to keep current your provider for these local toll calls.

From June 1, 1999 until August 31, 1999 you will be able to change your local toll carrier one time without charge. There may be a charge for each subsequent change you make in local toll companies."

TENNESSEE
MEHODOLOGY FOR RECOVERY OF COSTS
ASSOCIATED WITH
IMPLEMENTATION OF INTRALATA SUBSCRIPTION

CALCULATION OF INITIAL EQUAL ACCESS RATE ELEMENT

Step 1: Identify the estimated total incremental costs directly attributable to the provisioning of IntraLATA Subscription.

\$87,446.18

Step 2: Identify estimated originating Intrastate/IntraLATA minutes of use for the 4 year recovery period.

74,316,904

Step 3: Calculate a cost recovery rate by dividing amount in Step 1 by the Minutes of Use in Step 2.

\$0.001177

ANNUAL TRUE-UP OF EQUAL ACCESS RATE ELEMENT

Repeat Steps 1 through 3 and calculate an updated access rate element by dividing amount in Step 1, adjusted by the previous year/years cost recovery.

Exhibit C

NPA – NXX

EXCHANGE

931-394	Beech Grove
931-692	Beersheba-Altamont
931-935	Bon DeCroft
931-939	Centertown
931-934	Dibrell
931-657	Doyle
931-596	Hillsboro
931-779	Laager
931-668	McMinnville
931-815	McMinnville
931-924	Monteagle
931-761	Old Zion
931-467	Pelham
931-686	Rock Island
931-738	Sparta
931-739	Sparta
931-946	Spencer
931-592	Tracy City
931-635	Viola